

Chairman Ted Stevens
Statement of Introduction
The Communications, Consumer's Choice, and Broadband Deployment Act of 2006

Madam President, today we introduce the Communications Act of 2006. Just over a month ago, the Senate Commerce Committee concluded a series of 14 hearings on the state of our nation's communications laws. We looked at what changes in the law would be required to spur innovation, encourage competition, and provide better service at a lower price for consumers. Senator Inouye and I, and the Members of our Committee heard from dozens of witnesses and still more who have offered comments and suggested language. Our staffs met with literally hundreds of people representing every point-of-view.

The measure we introduce today is a working draft intended to stimulate discussion and is open for comments and suggestions for change. It attempts to strike a balance between competing industries, consumer groups and local government. Both Senator Inouye and I may propose additional changes based on comments offered by our Members or interested parties. We intend to hold two hearings to take testimony on the draft bill and will listen to proposed changes. It's our hope that through a process of collaboration, we can draft a bill that truly represents a bipartisan consensus.

The bill that we introduce today includes elements from a number of bills introduced by Members of our Committee from both sides of the aisle. The Call Home Act that Senator Inouye and I introduced last week would allow the FCC to take any action short of price regulation to reduce rates for members of our Armed Forces who call home. This measure includes thirteen cosponsors from our Committee and another 25 cosponsors from the Senate at large. The Call Home Act has been endorsed by 25 military and veterans organization.

The overarching theme of the bill we introduce today is deployment of broadband nationwide. Today the United States is less than 16th in adoption of broadband worldwide. We are not only behind most of the developed world, we even lag behind some of the less developed parts of our globe. To address this broadband gap, the bill we introduce today will allow local governments

to offer their own broadband service, so long as they do not compete unfairly with the private sector. The provision is based largely on Senator McCain's and Lautenberg's bill, S. 1294 cosponsored by Senator Kerry, but includes elements to protect the private sector from unfair government competition from Senator Ensign's bill, S. 1504 which is also cosponsored by McCain, Lott, DeMint, and Vitter.

Senator McCain was also very helpful in crafting the interoperability section of the bill. After Hurricane Katrina and later Wilma and Rita, our Committee held a series of hearings on problems communications companies had in restoring service and the difficulties first responders had in talking to one another even when service had been fully restored. During those difficult times, Senators Lott and Vitter played an important role in highlighting the importance of interoperability in times of crisis. As part of the Reconciliation bill adopted last December, our Committee addressed the interoperability problem by dedicating \$1 billion to interoperability programs. However, because of the Byrd Rule, it was not possible to provide guidance on how that money should be spent. The interoperability bill we introduce today adopts many of the recommendations offered by a variety of groups from the 9-11 Commission to the recent White House report. It embraces key concepts such as planning and interoperable equipment grants which have been discussed with the Department of Homeland Security and with various public safety groups.

Our bill will also create pre-positioned technology caches in every state in the union with some redundant regional caches for national emergencies – an idea offered by Senator Inouye and his staff. These caches will include equipment like satellite telephones that work even when towers and power lines have been destroyed.

Senator Kerry has also been involved in the interoperability discussion, and I believe he will have suggestions as we move forward on how to build redundancy into the communications system.

One of the centerpieces of this legislation is video franchising reform. The bill is based largely

on legislation introduced by Senator Ensign, S. 1504, cosponsored by Senators McCain, Lott, DeMint, and Vitter. Senators Smith and Rockefeller introduced a similar measure. Consistent with the Inouye/Burns Principles, the measure retains local franchise involvement, but is based upon the Alaska model which uses expedited procedures, consistent with what is called the shot clock principle in the Inouye/Burns Principles.

By using a standard application, but preserving the cities' right to manage their own rights-of-way and providing the revenues needed to operate their institutional networks as well as their PEG channels, our bill seeks to balance the needs of those who want to deploy broadband networks for video services and the desires of cities to continue the services they offer today. We also sought to address the needs of existing cable companies by offering them the same terms as new entrants immediately upon approval of the competitor's franchise application. Additionally, a cable company can avail itself of the new streamlined rules after its current franchise agreement expires.

Another issue addressed in the draft bill is access to video content. While satellite companies are barred from hoarding exclusive sports programs, the so-called terrestrial loophole does not impose the same mandate on cable companies. As a result, through the acquisition of regional sports networks by cable operators, competition with satellite providers has been stymied. The Sports Freedom Act included in this bill is patterned after a provision in the Ensign Bill which is cosponsored by Senators McCain, Lott, DeMint, and Vitter.

Also critical to providing compelling content is the broadcast flag. Broadcasters are reluctant to offer their best programming over-the-air for fear it could be stolen and distributed world wide over the Internet with no regard to copyright protection. This has been a critical issue for Senator Inouye on the video side and for Senator Frist on the audio side. Senators Smith and Boxer took on the issue and developed a draft bill which became the basis for the legislation we introduce today. It attempted to strike a balance between the needs of broadcasters and the desires of the consumer electronics industry not to have the federal government pick technology winners and losers. While interested parties may have suggestions for improving the bill, we believe this is a

good first step in addressing their concerns. I commend Senators Smith and Boxer for their hard work on this issue.

The measure also includes a white space provision modeled after S. 2327, the Allen-Kerry Win Act cosponsored by Senators Sununu, Dorgan, and Boxer. It adds some protections that broadcasters requested to prevent harmful interference by requiring any new device to be tested in an FCC certified lab before deployment. The concept of using vacant TV channels for broadband deployment through Wi-Fi, Wi-Max and other technologies is strongly endorsed by consumer groups and the technology community. Also, each can play an important role in bringing broadband to rural America.

This legislation includes guidance on the DTV transition that was not possible in the Reconciliation bill because, again, of the Byrd Rule. Much of the language we included is based on a provision Senator Inouye worked on to address consumer education issues. It also includes an international coordination element requested by Senator Hutchison to address interference on the U.S.-Mexico border that will also benefit other border states, such as our home State of Alaska, Washington, Montana, North Dakota, and Maine. In addition, we have included S. 900, Senator McCain's Television Information Enhancement for the Visually Impaired Act which Senator Inouye and I cosponsored, along with Senator Smith. That bill authorizes an existing FCC rule requiring TV stations to offer some video description of television shows so blind listeners may be able to follow the action. The existing rule was struck down by the courts on the grounds that the FCC lacked authority for such a rule. Today this bill will provide them the authority they need. As the son of a father who was blind for a period of time, this is an issue of personal importance to me.

Last, but most important to me is Universal Service reform. Our measure is based on a series of bills. The contribution mechanism we adopted is based on S. 2256, the Burns Universal Service Fund bill and S. 1583, the Smith-Dorgan measure which was also cosponsored by Senator Pryor. It authorizes the FCC to adopt a contribution mechanism based upon revenues, numbers, or connections. Such a step is necessary to stabilize this important program. It also includes Senator

Smith's concept of a separate broadband fund to address the needs of unserved areas.

We have included S. 241, the Snowe-Rockefeller ADA exemption after failing in our efforts to work this out as an issue with the Administration. While the Burns and Smith-Dorgan-Pryor bills were also the basis for our Universal Service Fund title, we also used important concepts from H.R. 5072, the Terry-Boucher bill, and we applaud them for their leadership in the House and thank them for their contribution to this effort. Lastly, we have included S. 2378, the Inouye measure which will improve the E-rate program for Native Americans. Senators McCain, Burns, Dorgan, and I have joined in cosponsoring that bill.

This bill includes provisions throughout that will benefit consumers. It encourages competition and cost savings in the video market. It addresses some critical needs in rural America. And, it encourages deployment of broadband so that our nation can remain competitive.

Mr. President, this is a comprehensive bill as indicated by my comments that we have researched the bills introduced by every Member of the Senate. And, we are attempting to collate them so we can have one Communications Act for this year. This will be the Communications Act of 2006. I urge the Senate to review it and we look forward to having their comments. I send the bill to the desk, Mr. President and ask that it be properly referred to the Commerce Committee.